
ANNOUNCEMENT TO ASX

Date: 13 July 2009
To: Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgment System

Dear Sir

INNAMINCKA PETROLEUM FARMS IN TO BASS STRAIT GAS CONDENSATE DISCOVERY

HIGHLIGHTS

Innamincka Petroleum Limited ("INP") is pleased to announce that it is farming in to a significant opportunity in Bass Strait. INP will earn a 5% participating interest in Permit T/18P which is located in a proven liquids rich gas and oil hydrocarbon basin and contains the existing White Ibis & Trefoil gas condensate discoveries. The neighbouring T/L1 permit contains the currently producing Yolla field.

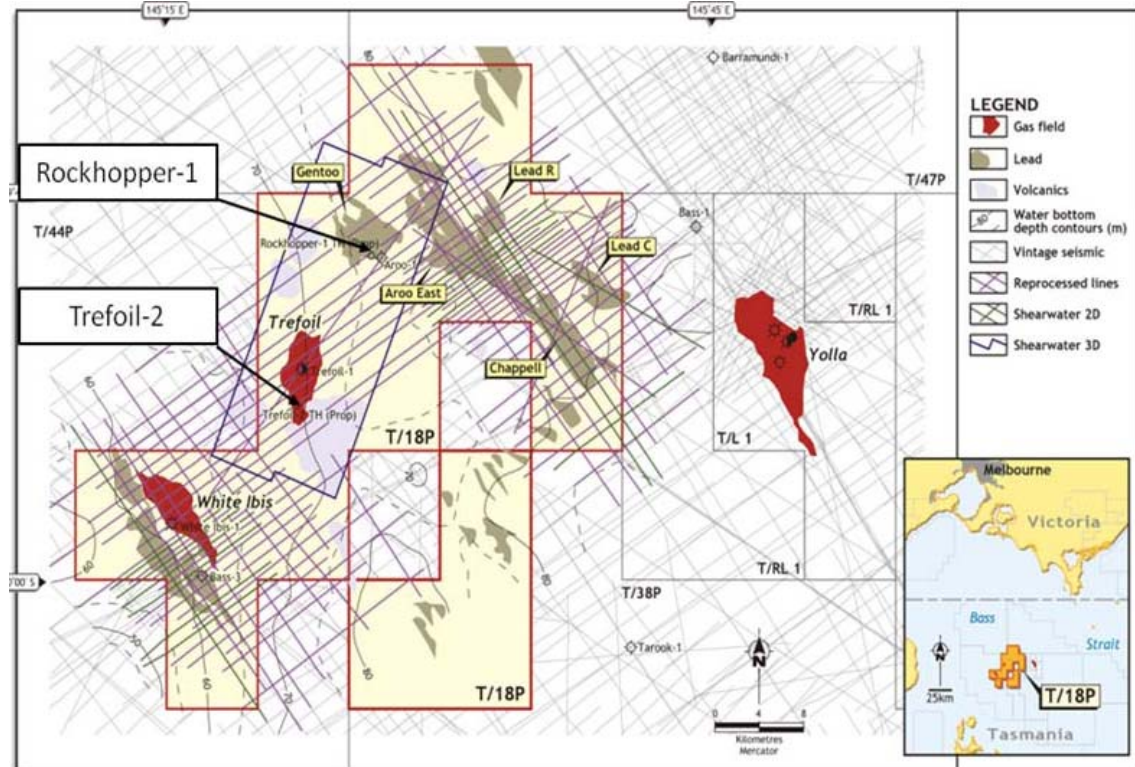
INP is excited by the opportunity to participate in a permit of this quality, which is highlighted by

- Independent assessment of mean original gas in place (OGIP) in excess of 1.2 Trillion cubic feet (Tcf) ¹
- Contains the existing Trefoil and White Ibis Gas Condensate discoveries
- Recent petrophysical review of the of the Aroo-1 well has identified potential gas-bearing intervals not recognised at the time the well was drilled on the Rockhopper/Gentoo structure in 1974
- Drilling program scheduled to commence later this month (operated by Origin Energy Limited) to appraise the Trefoil discovery and the Rockhopper/Gentoo structure containing the Aroo-1 well
- Potential multiple avenues to commercialisation with the Bass Gas development (Yolla) in proximity
- An Australian opportunity providing diversification in a well understood geological, operating and political risk environment
- Working alongside successful Australian companies, Australian Worldwide Exploration (AWE) Ltd and Origin Energy Ltd

INP's entry into the permit is the result of a farmdown of CalEnergy Gas (Australia) Limited's ("CEG") interests from 18.5% to 8.5%. Subject to completion of a number of administrative preconditions, Innamincka will take up half of this interest (i.e. 5%), in conjunction with AWE Petroleum Pty Ltd ("AWE") which will take up the other 5.0%. AWE will thus become entitled to a 47.5% interest. Origin Energy Limited ("Origin") is the remaining party (and operator) with a 39.0% interest. INP will fund the acquisition of its participating interest with a \$5m carry of CEG's 2009 and future costs.

Initial activities will involve a 2 well drilling exploration/appraisal program which is anticipated to commence in late July 2009. The program comprises Trefoil 2 followed by Rockhopper 1 with each well is expected to take about one month.

According to INP's recently appointed CEO, David Kinsman, "Securing an interest in this high quality asset is the first step in broadening Innamincka's asset portfolio beyond the Cooper/Eromanga Basin while keeping the benefits of remaining in Australia. In taking up such opportunities, it is INP's intention to align itself with partners with successful performance records in the Australian upstream oil & gas industry with a view to developing those relationships for the longer term."



BACKGROUND

T/18P is located in a proven hydrocarbon basin which is liquids rich, containing the Trefoil & White Ibis gas condensate discoveries. The permit includes a number of prospects and leads and some with significant shallower oil potential.

The joint venture has secured drilling slots with the MODU Kan Tan IV for a 2 well program, commencing later this month, to appraise the Trefoil gas condensate field and definitively test the Rockhopper (Aroo) structure. Cost of this program, including contingency to drill a down dip sidetrack to Rockhopper-1, is \$A82m (INP share \$4.1m).

Trefoil-2

The Trefoil gas condensate field which was discovered in 2004 contains approximately 20 gas bearing sands in a low relief anticlinal structure. Amplitude extractions from the 3D data set demonstrate an excellent correlation of high amplitudes with mapped closure. The gas is liquids rich with yields ranging between 19-84bbls/million standard cubic feet (MMscf). The Mean estimate for OGIP for the 6 most volumetrically significant sands is 566 Billion cubic feet (Bcf) ¹.

It is intended that the first well in the 2009 program, Trefoil-2 will appraise the southern flank of the field down dip from Trefoil-1 to confirm the hydrocarbon contacts of the field.

Rockhopper-1

The second well in the program, Rockhopper-1 will be drilled on the Rockhopper/Gentoo structure on which Aroo-1 was originally drilled in 1974 targeting oil. A recent petrophysical review of that well incorporating new and reliable information obtained in the course of drilling the successful Trefoil-1 well has identified several zones of likely missed gas pay. This interpretation is supported by the amplitude anomalies at several levels which appear essentially conformable with the structure. For the Rockhopper/Gentoo complex, the Mean OGIP is estimated at 679 Bcf ¹.

The Rockhopper-1 well will be drilled on the crest of the structure to test oil potential in the upper sands and to test what is considered to be missed gas pay in the lower sands.

Potential Commercialisation

Depending on the success of the exploration/appraisal drilling program, the field could be potentially commercialised on a stand-alone basis, or alternatively tied into the Yolla facility in the Bass Gas Development which is located 35 kilometres from Trefoil 1.

Funding

The acquisition costs and the immediate drilling program will be paid for out of Innamincka's cash reserves. However, with this opportunity and other opportunities currently emerging, Innamincka intends to replenish its cash reserves through a Share Purchase Plan ("SPP") to existing shareholders to ensure the company remains well funded in pursuing these opportunities as they emerge.

Full details of the SPP will be issued under a separate announcement.

Yours sincerely
Innamincka Petroleum Limited

A handwritten signature in black ink, appearing to read "Leni Stanley". The signature is written in a cursive, flowing style.

Leni Stanley
Company Secretary

¹ OGIP data presented in this announcement is taken from a report prepared by Resource Investment Strategy Consultants (RISC) in April 2009.